

Amendment No. 1 to HB0366

Eldridge  
Signature of Sponsor

**AMEND Senate Bill No. 305**

**House Bill No. 366\***

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 47-16-105, is amended by deleting subdivisions (7) and (9) and substituting instead:

(7) Attempt to effect mandatory arbitration or otherwise effect waiver of a consumer's right to a trial by jury;

(9) Assign, which includes securitizing, a litigation financing contract, in whole or in part, to a third party; however:

(A) This subdivision (9) does not prevent a litigation financier that retains responsibility for collecting payment, administering, or otherwise enforcing the litigation financing contract from making an assignment that is:

(i) To a wholly owned subsidiary of the litigation financier;

(ii) To an affiliate of the litigation financier that is under common control with the litigation financier; or

(iii) A grant of a security interest that is pursuant to title 47, chapter 9 or is otherwise permitted by law; and

(B) If an assignment is authorized and made pursuant to this subdivision (9), for purposes of this section, "litigation financier" includes a successor-in-interest to a litigation financing contract.

SECTION 2. Tennessee Code Annotated, Section 47-16-109, is amended by deleting subsection (b) and substituting instead the following:

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(b) The lien of a litigation financier on a consumer's legal claim has priority over liens that attach and take effect subsequent to the attachment of the litigation financier's lien to the consumer's legal claim, except for the following:

(1) Attorney liens, insurance carrier liens, medical provider liens, or liens based upon subrogation interests or rights of reimbursement related to the consumer's legal claim; and

(2) Child support, Medicare, tax, or any other statutory or governmental lien.

SECTION 3. This act shall take effect July 1, 2017, the public welfare requiring it.